

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Lyman & Virginia Conley,

Petitioners-Appellants,

v.

Warren County Board of Review,

Respondent-Appellee.

ORDER

**Docket No. 11-91-0139
Parcel No. 31-000-19-0846**

On September 27, 2011, the above captioned appeal came on for hearing before the Iowa Property Assessment Appeal Board under Iowa Code sections 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellants Lyman and Virginia Conley were self-represented. The Warren County Board of Review designated Assessor Brian Arnold as its representative. The Appeal Board having reviewed the entire record, heard the testimony, and being fully advised, finds:

Findings of Fact

Lyman and Virginia Conley, owners of a residentially classified property located at 7621 Osceola Street, Indianola, Iowa, appeal from the Warren County Board of Review regarding their 2011 property assessment. The January 1, 2011, assessment is allocated as follows: \$69,000 in land value and \$242,200 in improvement value for a total assessment of \$311,200.

The subject property is a two-story, single-family residence built in 2001. The improvements include 2338 square feet of above-grade finish; a full, unfinished walk-out basement¹; a two-car attached garage; a 684 square-foot wood deck; and an 864 square-foot detached metal outbuilding built in 2001. The site is 10.11 acres.

¹ Property record cards indicated 15 linear feet of finish at \$55 per linear foot to account for the walk-out.

The Conleys protested their assessment to the Warren County Board of Review. On the protest they contended their property assessment was not equitable with that of like properties under Iowa Code section 441.37(1)(a); that the subject property is assessed for more than the value authorized by law under section 441.37(1)(b), claiming the actual value is \$276,700; that there was an error in the assessment under section 441.37(1)(d), and that there has been a change downward in value since the last assessment under section 441.37(1) and 441.35. The plain language statement in regards to the claim of error and the claim of downward assessment are both essentially asserting the subject property is over-assessed.

The Board of Review denied the protest.

The Conleys then appealed to this Board. They reasserted only their claim of over assessment but now claim the actual value is \$279,400, allocated as \$34,500 to the land and \$244,900 to the improvements.

On their protest form to the Board of Review, the Conleys provided five equity comparables. They listed a parcel number, sale date, sale price, and the 2010 assessed value for each property. At hearing, Lyman Conley testified these properties were intended to demonstrate over-assessment.

Property record cards of these five properties were not provided to this Board for consideration. A spreadsheet submitted by the Board of Review provides some information about the properties. The spreadsheet includes: the parcel number, property address, year built, grade, style, above grade living area (size), basement finish, site size, total assessed value, building allocation, land allocation, total assessed value per square foot, sale price, sale price per square foot, and a sales ratio. One sold in 2008; two sold in 2009, and only one sold in 2010.

Three of the properties submitted by the Conleys are one-story homes, compared to the subject's two-story design. While in some instances one-story homes can be compared to two-story homes, the record shows several sales of more comparable two-story homes. One property is a one-

and-a-half story home which we find to be more comparable to a two-story home; however, it has 3123 square-feet of living area compared to the subject's total above-grade living area of 2338 square feet. The fifth property, located at 12519 Highway G58, is a two-story home, built in 1989, with 2602 square-feet of living area. We find these improvements, although older, to be comparable to the subject property. However, the condition, quality, and additional amenities, such as outbuildings are unknown. Additionally, this property has only 2.34 acres compared to the subject's 10.11 acre site. This fifth property provide limited useful data.

Lastly, there was no comparison made by the Conleys between these sales and the subject property. They did not offer a final conclusion of value supported by these properties or any other evidence. As such, we give this evidence limited consideration.

The Conleys also offered eight additional vacant sites (Exhibits 4-11) which they believe demonstrates their site has a higher assessment per acre. Exhibits 4 through 11 are two-page, print-outs of on-line tax records. The print-outs identify, among other things, the property address, gross and net acres, classification, township, and the allocations of both valuation and taxation.

With the exception of Exhibit 5, all of the properties submitted for consideration are classified as agricultural. Agriculturally classified sites are assessed on a productivity basis compared to sites that carry a residential classification, which are assessed at market value. Exhibit 5 is a residentially classified property, similar to the subject, however has only 3.3 acres compared to the subject's 10.11 acre site. Additionally, this site is located in Jefferson Township which is located northwest of the subject property that is located in White Oak Township.

It was clear at hearing that Mr. Conley was frustrated with the inequities in the amount of taxes paid on what he considers to be similar parcels. However, because they are different classifications the properties can not be compared to determine equity in either assessed value or taxes paid. We note there is no equity claim before this Board.

Exhibits 4 to 11 are all sales which occurred between January 2011 and June 2011. The sites range in size from 2.65 acres to 19.5 acres. The Conley's did not make any adjustments for differences in site size, topography, or location to support their opinion of site value.

Testimony from Lyman, as well as later testimony from Assessor Brian Arnold, indicated townships in the northwest tier of Warren County are the most valuable with each subsequent tier of townships towards the southeast decreasing in desirability and value due to being located farther from interstate access, employment, and shopping centers. Exhibit 5 indicates this vacant site sold in 2007 for \$34,000; 2009 for \$40,000; and, in 2011 for \$43,000. Each time the site sold, there was no noted change, yet the value increased over 25% from 2007 to 2011. This information is considered relevant because Lyman Conley testified he believed the market has decreased since they purchased their property for \$309,000 in 2007.

Lastly, the Conleys offered two newspaper articles from *The Des Moines Register*, both dated September 25, 2011. The articles titled: "Shadow Housing Stock Looms in Mired Market" and "Housing Market in US: Rich and Everyone Else" both detail a depressed housing market in the Des Moines area and greater national market. We do not find either article particularly relevant in determining the market value for the subject property. While the articles detail an overall view of the market, they do not reference the subject property's particular location, demand for, or value of acreage properties.

The Board of Review submitted a spreadsheet and property record cards of properties it considers to be more comparable to the subject property. The spreadsheet is laid out the same as the previous spreadsheet it submitted of those properties selected by the Conleys as comparable.

The following grid is an overview of each property selected by the Board of Review, with the subject property highlighted.

Address	Year Built	Style	Total Living Area (TLA)	Basement Finish	Site Size	Outbuildings	Sale Price	Sale Date
7951 Osceola St	2001	2 Sty	1920	40	4.43	Yes	\$221,100	June-10
10901 Cleveland Trl	2005	2 Sty	2600	40	2.51	No	\$265,000	November-10
8588 143rd Ave	2004	2 Sty	1800	750	4.69	Yes	\$239,900	June-09
8897 Hoover Trl	2005	2 Sty	2766	950	9.3	Yes	\$380,000	July-08
9892 Dakota Trl	2003	2 Sty	1829	27	3.4	No	\$350,000	April-10
7621 Osceola St	2001	2 Sty	2338	15	10.11	Yes	N/A	N/A

The five properties are all two-story improvements and range in above-grade living area from 1800 to 2766 square feet. They were all built between 2001 and 2005. Four of the five properties have sites of less than 5 acres. One property has a 9.30 acre site compared to the subject's 10.11 acre site. Two of the properties do not have any outbuildings and two have a significant amount of basement finish compared to the subject property.

The Board of Review compared the assessed value per square foot, the sale price per square foot, and the sales ratio of all five properties to the subject property. We note the subject property was near the median in all three of these comparisons. Like the Conleys, the Board of Review did not make any adjustments for differences to the selected comparables to support the market value of the subject property. Similarly, we give this evidence limited consideration.

It was clear the Conleys' primary concern in the valuation of their property was site allocation. Arnold testified regarding the methodology used to determine site values of acreages in Warren County. He testified that a revaluation of acreages was done in 2011 with specific attention given to the site allocation due to increases in values that his office was seeing, and due to sales of acreage properties exceeding the assessed value as evidenced by sales ratios.

A sale ratio is the ratio of the assessed value of a property compared to its sales price. For instance a property assessed at \$80,000, which sold for \$100,000, has a sales ratio of 80% or .80. A

property assessed at \$100,000 that sells for \$95,000 would have a 105% sales ratio or 1.05. A sale ratio of less than 1.00 indicates properties are selling for more than their assessed value, while a ratio greater than 1.00 indicates properties are selling for less than their assessed values. Because residential assessments in Iowa are based on market value, this ratio is considered and analyzed by Assessors.

Arnold testified the sale ratios of acreage properties in Warren County for the years 2008, 2009, and 2010, indicated properties like the subject were assessed below market value. Additionally, the land values were valued on different units throughout the county, so the county wanted to make a consistent model. Therefore, Arnold's office conducted a revaluation study to determine what the correct assessments should be. It gathered data of vacant acreage sites and analyzed it by location, by sites greater than and less than nine acres, and by sites on paved or gravel roads. The Board of Review submitted a significant amount of data in the form of spreadsheet analysis in regards to this data collection and analysis. Arnold explained, based upon the extensive analysis, sites in the subject's tier (location) with less than nine acres were valued at \$40,000 for the first acre and \$1000 for each additional acre. Sites over nine acres were valued at 1.5 times \$40,000, (or \$60,000), for the first acre and \$1000 for each additional acre. The formula for the subject site of 10.11 acres is as follows:

$$\$40,000 \times 1.5 = \$60,000 \text{ (first acre)}$$

$$\$60,000 \text{ (first acre)} + \$1000 \text{ each additional acre (9.11 remainder)} = \$69,000 \text{ rounded}$$

Arnold testified he has not seen a decrease in prices from 2008 to 2010. In his opinion, the residential market has not declined in the subject property's area based upon sales since 2008. Arnold stated he believed the subject property was under-assessed when it was purchased by the Conleys in 2007, and the revaluation in 2011 brought the assessment in line with market values. We find Arnold to be knowledgeable and detailed in his research.

Based upon the foregoing, we find insufficient evidence has been presented to support a claim of over-assessment.

Conclusions of Law

The Appeal Board applied the following law.


The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2009). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

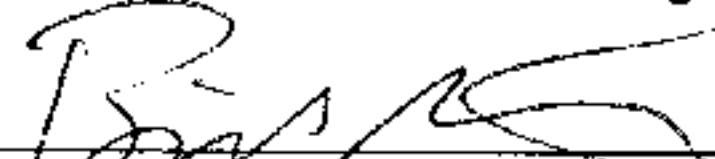
In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). The Conleys offered five sales; however, we note that some are different style properties, some are significantly larger in living area, and some are 2008 and 2009 sales. They did not offer a final conclusion of value supported by these properties or any other evidence. A preponderance of the evidence does not support the claim that the property is assessed for more than authorized by law.

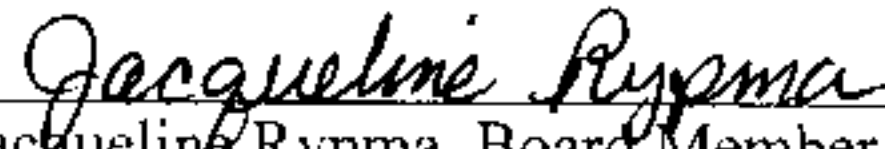
We therefore affirm the assessment of Lyman and Virginia Conley's property as determined by the Warren County Board of Review, as of January 1, 2010.

THE APPEAL BOARD ORDERS the assessment of Lyman and Virginia Conley's property located at 7621 Osceola Street, Indianola, Iowa, of \$311,200, as of January 1, 2011, set by Warren County Board of Review, is affirmed.

Dated this 27 day of October, 2011


Karen Oberman, Presiding Officer


Richard Stradley, Board Member


Jacqueline Rypma, Board Member

Cc: ..

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REPRESENTATIVE FOR APPELLEE

Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>10-27</u> , 2011	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	